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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91212477
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In re Application Serial No. 85/751,520
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Trademark: EARTH BALANCE

Applicant.

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Opposition No. 91212477

OPPOSER'S REPLY BRIEF

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I. INTRODUCTION

Applicant argues throughout its trial brief that its EARTH BALANCE mark has co-existed with Balance Bar's BALANCE marks without confusion since 1998. Conveniently, Applicant fails to mention that it has never sold nut and seed-based snack bars, or any other types of snack bars, under the EARTH BALANCE mark - so it is rather unsurprising that there has been no confusion to date. Along these same lines, Applicant argues that it has expanded its EARTH BALANCE product line to include a variety of snack foods - but fails to mention that this expansion of its product line either involves non-competing goods or insignificant levels of sales. Applicant further argues that the marks are dissimilar - but the evidence of record shows otherwise. Applicant also points to "extensive third party use" of the term "balance" - but an examination of the documents submitted by Applicant show that many of these alleged uses i) do not show trademark usage at all; ii) depict the term "balanced" - not "balance"; and/or iii) show unrelated products. Finally, Applicant argues at length that its survey is somehow determinative of the outcome of this case - but fails to acknowledge that its survey was flawed from the outset - and could never show a level of confusion higher than the level of unaided awareness of the BALANCE marks.

For the reasons discussed herein, as well as the reasons set forth in Balance Bar's main brief, this opposition should be sustained, and Applicant's application to register the mark EARTH BALANCE should be refused under section 2(d) of the Lanham Act, 15 U.S.C. § 1052(d).

II. EVIDENTIARY MATTERS

Applicant's evidentiary objections are not well-founded

Balance Bar was purchased by NBTY in November of 2012. Mr. Patrick Cornacchiulo, a Vice-President at NBTY, testified that he was involved in the purchase decision. Mr. Cornacchiulo was asked to identify certain settlement agreements prepared on behalf of Balance Bar, namely Opposer's Exhibits 33-44. Mr. Cornacchiulo was further asked to identify certain cease and desist letters prepared on behalf of Balance Bar, namely Opposer's Exhibits 45-48. Applicant argues that Balance Bar has failed to authenticate Opposer's Exhibits 33-48. It argues that because Mr. Cornacchiulo has no personal knowledge regarding the documents at issue, he is not a "witness with knowledge" as required by Rule 901 and therefore cannot authenticate these documents. Balance Bar respectfully disagrees.

Mr. Cornacchiulo is a Vice-President at NBTY, the company which acquired Balance Bar. (Cornacchiulo Dep. at 10:19-25) Mr. Cornacchiulo testified that he was involved in the purchase of Balance Bar. (Cornacchiulo Dep. at 12:4-8) Mr. Cornacchiulo testified that Exhibits 33-44 were prepared by the original Balance Bar company. (Cornacchiulo Dep. at 48:5-6) Mr. Cornacchiulo further testified that each of Exhibits 33-44 was a business record of the company, that as part of the purchase of Balance Bar Company by NBTY that business records were transferred from the Balance Bar Company to NBTY, and that to the best of his knowledge Exhibits 33-44 were transferred along with those business records. (Cornacchiulo Dep. at 50:10-51:7) Mr. Cornacchiulo testified in similar fashion with respect to Exhibits 45-48. (Cornacchiulo Dep. at 51:9-25) Mr. Cornacchiulo testimony is clearly sufficient to establish Opposer's Exhibits 33-48 as business records pursuant to Rule 803, and as such, they satisfy the business record hearsay exception.

Applicant also argues that Mr. Cornacchiulo testimony regarding Balance Bar's trademark enforcement policy should be stricken since Mr. Cornacchiulo "has no personal knowledge regarding Balance Bar Company's trademark practices before November 2012." In this regard, Mr. Cornacchiulo testified to Balance Bar's policing activities in response to the question "[t]o the extent of your knowledge, can you describe generally what those policing activities were?" (Cornacchiulo Dep. at 7:7-9) Mr. Cornacchiulo was not asked to speculate or describe activities outside of his knowledge. The *Sky Climber* decision cited by Applicant specifically recognizes this distinction at page 6.

Contrary to Applicant's assertion, Mr. Cornacchiulo was not asked to testify as to the content of Opposer's Exhibits 33-48, but merely to identify and authenticate such documents. The *BB Online* decision cited by Applicant is not particularly relevant in this regard because such case dealt with priority of use and, as noted by the Board, the parties' evidence in that case, was "atypical". This proceeding does not involve a priority claim, and the documents in questions are not being relied upon to prove a particular date. There is no real dispute that the documents are in fact settlement agreements and cease and desist letters transferred from Balance Bar to NBTY as part of the purchase of such company. Applicant seeks to exclude these documents, which reflect years of policing of the BALANCE marks, solely to bolster its argument of wide spread third party use of "balance" marks.

III. ARGUMENT

A. The uncontested and contested *du Pont* factors

1. Factors Nos. 2 and 3: It is uncontested that the goods are identical and that the channels of trade are the same

Applicant's trial brief contains no response to the arguments that i) the goods identified in the EARTH BALANCE applications include goods identical to the goods registered and sold

under the BALANCE marks (Factor No. 2); and ii) Applicant's proposed goods will be marketed and sold in the same trade channels and to the same consumers as Balance Bar's goods (Factor No. 3). In fact, Applicant actually argues in its brief that the channels of trade are the same. (App. Br. at 10) It further argues that Applicant and Balance Bar have historically used the same advertising and promotional tools to reach consumers. (Id. at 11) As such, and for the reasons discussed in Balance Bar's main brief, there can be no doubt but that these two important *du Pont* factors weigh heavily in favor of a likelihood of confusion.

2. Factor No. 4: It is uncontested that the level of care exercised in purchasing the proposed goods is relatively low

Applicant's trial brief does not address the points raised in Balance Bar's main brief regarding *du Pont* Factor No. 4. In fact, Applicant's trial brief does not discuss this factor at all. Inasmuch as Applicant has not even attempted to challenge the point that a not-insignificant portion of the purchases of snack bars are impulse-type purchases, and that they typically are not attended by great care and deliberation, there can be no doubt but that this important *du Pont* factor also weighs heavily in favor of a likelihood of confusion.

3. Factor No. 1: The proposed EARTH BALANCE mark is similar to Balance Bar's registered BALANCE trademarks

Applicant argues that the marks are dissimilar because "the term EARTH is dominant and transformative to the GFA Brands mark as a whole, creating a readily discernible mark from Balance Bar's [trademarks]" (App. Br. at 21), and that "[i]n short, the EARTH BALANCE and the Balance Bar Marks create distinct commercial impressions." (App. Br. at 22) Applicant then cites the *Champagne Louis Roederer* decision for the proposition that "one DuPont factor may be dispositive in a likelihood of confusion analysis, especially when that single factor is the dissimilarity of the marks." *Champagne Louis Roederer, S.A. v. Delicato Vineyards*, 148 F.3d

1373, 1375 (Fed. Cir. 1998). Applicant notes in a parenthetical that the Federal Circuit affirmed the dismissal of the opposition based solely on the dissimilarity of CRISTAL and CRYSTAL CREEK, and concludes by arguing that dissimilarity of the marks alone is an appropriate factor upon which to rule in GFA Brands' favor.

Applicant's reliance on the *Champagne Louis Roederer* decision is misplaced. In that case, the TTAB found that the marks would evoke very different images in the minds of relevant consumers: the mark CRISTAL suggested the clarity of the wine within the bottle or the glass of which the bottle itself was made, while the mark CRYSTAL CREEK suggested a very clear creek or stream. There is nothing in the record to suggest that the marks in dispute in this proceeding would evoke different images in the minds of relevant consumers. In fact, the evidence of record is exactly to the contrary. (see BB Main Br. at 17)

Applicant continues with its dissimilarity argument - noting that "the Board has repeatedly held that there is no likelihood of confusion between marks used with identical goods that share a common element (even when that common element is the entire asserted mark) when the marks as a whole are dissimilar." (App. Br. at 22) Applicant then cites five cases in support of its foregoing argument, including the already mentioned *Champagne Louis Roederer* decision. As discussed below, none of these cited decisions, when properly analyzed, supports Applicant's position. Turning first to the *Knight Textile* decision, Applicant notes that NORTON MCNAUGHTON ESSENTIALS was allowed over ESSENTIALS for the same goods. What Applicant does not say is that the Board had already determined that the term NORTON MCNAUGHTON was a house mark, that it would be perceived as a house mark, and that the "coupling of the term ESSENTIALS with its house mark NORTON MCNAUGHTON suffices to avoid likelihood of confusion." *Knight Textile Corp. v. Jones Inv. Co.*, Opposition No.

91153852, *6 (TTAB Jun. 21, 2005). There is no evidence, whatsoever, in the present proceeding that the term “earth” is a house mark, or would be recognized as such by the consuming public. Applicant next cites the *Reliance Standard Life Insurance* decision, noting that BENCHMARK RELIANCE was allowed over RELIANCE STANDARD for the same goods. However, the Board in that case had already determined that the Opposer had no rights in the stand-alone mark RELIANCE, and that the goods in question, namely, annuities, are “purchased only after careful consideration by the relevant consumers with specific consideration given to the identity and reputation of the annuity underwriter.” *Reliance Standard Life Ins. Co. v. Am. Nat’l Ins. Co.*, Opposition No. 91178996, *43 (TTAB Apr. 30, 2012). In contrast, in the case at hand, there is no question but that Balance Bar has trademark rights in the stand-alone mark BALANCE, and as discussed hereinabove, it is uncontested that the level of care exercised in purchasing the relevant goods is relatively low. Applicant next cites the *CareFirst of Maryland* decision, noting that FIRSTCAROLINACARE was allowed over CAREFIRST for the same goods. In that case, the Board first determined that when purchasing healthcare services “even ordinary consumers are likely to exercise greater care and will know with whom they are dealing” *CareFirst of Maryland, Inc. v. FirstHealth of the Carolinas, Inc.*, Opposition No. 91116355, *36 (TTAB Dec. 2, 2005), and that “when the terms are reversed, and a word, albeit geographic, is inserted in between the reversed words, the marks have very different appearances.” *Id.* at 50. The Board also specifically noted that the reversal of the terms CARE and FIRST cause such marks to have different meanings. As already mentioned, in the present proceeding, it is uncontested that the level of care exercised in purchasing the relevant goods is relatively low. Moreover, the present proceeding simply does not involve a set of multiple-term marks wherein the terms have been reversed, and an additional term inserted

therebetween. Finally, there is no evidence that the marks in dispute have different meanings. Finally, Applicant cites the *Rocket Trademarks* decision, noting that ZU ELEMENTS and design was allowed over ELEMENTS for the same goods. Although Applicant does properly indicate that the opposed mark included a design element, it fails to mention that the Board determined that the “term ZU appears significantly larger and very prominently above the smaller font-sized ELEMENTS,” *Rocket Trademarks Pty Ltd. v. Phard S.p.A.*, Opposition No. 91172486, *20 (TTAB Feb. 25, 2011), and that “ZU visually dominates applicant's mark and, consequently, is the term that will most likely be impressed in the minds of consumers.” *Id.* at 20-21. Unlike the ZU ELEMENTS and design mark, the opposed EARTH BALANCE mark is a wordmark without any design elements and, accordingly, the holding and logic of the *Rocket Trademarks* case is simply inapplicable to the matter at hand.

Applicant argues that the term Earth is “transformative and the dominant portion of [its] EARTH BALANCE mark” (App. Br. at 24), and that the term “has trademark and market significance” (*Id.*). However, despite devoting almost two pages of its brief to this argument, Applicant does not provide even a single supporting citation to the record. Rather than being perceived as the dominant term of the EARTH BALANCE mark, and as discussed in Balance Bar’s main brief, consumers are more likely to perceive the term EARTH as another extension of the Balance Bar line of products. (see BB Main Br. at 15-16) Finally, Applicant’s argues that the term EARTH (which it suggests “calls to mind something natural or organic”) in the EARTH BALANCE mark creates a strong commercial impression. This argument is not understood in that the evidence of record shows that Balance Bar’s products target this same “natural”-seeking category of consumers. When asked to explain his thinking about why there might be confusion in the marketplace if GFA Brands were to begin selling nutrition or energy bars under the

EARTH BALANCE mark, Mr. Cornacchiulo testified that: “but we have a new type of bar that's out now that's even cleaner and so we're launching and shipping it and that's the type of bar that we would be targeting, a Whole Foods style customer -- you know, healthy, natural customer -- consumer -- sorry -- consumer-based.” (Cornacchiulo July 30 Dep. at 13:13-19) Thus, to the extent that the term “EARTH” suggests “something natural or organic” to the consumer, this can only lead to further confusion with the Balance Bar products.

Applicant argues in its trial brief that “the term Balance is both suggestive (or even descriptive) and extensively used by third parties [meaning] that the term is weak and must be given less weight in the trademark analysis.” (App. Br. at 25) This statement directly contradicts the statements that Applicant made (both orally and in writing) to this Board in Opposition Proceeding No. 91194974. It is unclear how Applicant can advance these arguments to the Board, knowing that it has submitted directly contradictory statements in a co-pending opposition proceeding yet to be ruled on by the Board. Applicant suggests that Balance Bar has admitted that the term “Balance” is descriptive of its goods, citing to testimony of Ms. Lifeso (App. Br. at 26). The cited portions of testimony provide no such admission. In fact, this testimony actually illustrates the suggestive quality of the BALANCE marks.

Next, Applicant's argument that the filed third party registrations are probative of the weakness of the term “Balance” is contrary to both the evidence of record and controlling authority. In particular, Applicant relies upon the *Knights Textile* decision in support of its argument. It fails to appreciate, however, that the Board in *Knights Textile* first determined that the term ESSENTIALS “connotes that the clothing items sold under the marks are basic indispensable components of, or ‘essentials’ of, one's wardrobe.” *Knight Textile Corp.*, Opposition No. 91153852 at 8. It only then turned to the third party registrations to corroborate

its interpretation of the term ESSENTIALS. Here, there is no evidence that the term “balance” as used in the third party registrations has any common or accepted connotation, or that the term “balance” is being used to connote “balance to the consumer in their busy on-the-go lives.” (Lifeso July 30 Dep. at 45:20-23) What Applicant is, in fact, attempting to do is to twist the holding of *Knights Textile* to support its argument that the term “balance” is weak, and that therefore the BALANCE Marks are weak. However, it is well settled that “third-party registrations cannot be given any weight in determining the strength of a registration.” *Pepsico, Inc. v. Jay Pirincci*, Opposition No. 91187023, *41 (TTAB Apr. 14, 2014)(citing *Olde Tyme Foods Inc. v. Roundy’s Inc.*, 961 F.2d 200 (Fed. Cir. 1992)). The Board in *Knights Textile* did not look to the third party registrations to determine that the registered mark was weak - but rather looked to the third party registrations to confirm its finding that the term “essentials” had acquired a particular connotation in the marketplace. That fact, together with the addition of applicant’s house mark, resulted in a trademark which was distinguishable from the registered mark. The facts of *Knights Textile* simply do not apply to the matter at hand.¹

Finally, Applicant’s argument that the marks provide different commercial impressions is simply incorrect. To begin, Applicant totally ignores the points raised in Balance Bar’s main brief that each party uses the term “balance”. Instead, it focuses on its new argument that the term “earth” is transformative, thereby providing its EARTH BALANCE mark with a distinct commercial impression. In this regard, it cites testimony that consumers seek GFA Brands’ goods sold under the EARTH BALANCE trademark because they “connote [] natural and organic product[s]. [The goods] appeal[] to consumers who will looking for *simple ingredients*

¹ It should be noted that not one of the 34 third party registrations recites any type of bar product, that 6 of the 34 registrations actually include the term “balanced” - not “balance”, and that at least 10 of the registrations recite unrelated goods.

in products that are made with natural ingredients.” (App. Br. at 29) (emphasis added) As already mentioned above, Balance Bar is currently targeting Whole Foods style customers, namely, healthy natural consumers. Even more to the point, Mr. Cornacchiulo testified that the “prior Bare line was a very clean line too, but we are just believing *simpler ingredients*, fruit and nuts is a better way to go.” (GFA Not. of Rel. 9, Exh. I-1 at 40:4-7) (emphasis added). Mr. Cornacchiulo also testified that “we look at that wellness consumer and say here, that consumer wants cleaner, *simpler ingredients*.” (Id. at 31:14-16) (emphasis added). Thus, it is difficult to understand how Applicant can argue that the marks in dispute have different commercial impressions when in fact both marks convey a substantially similar message to the consuming public, as evidenced by the usage of almost identical language by each party's representative while testifying.

It must also be kept in mind that all of the marks are in standard character form and thus may be displayed in the same form, thus increasing the visual similarity between the marks. *See e.g., Citigroup Inc. v. Capital City Bank Group Inc.*, 637 F.3d 1344, 98 USPQ2d 1253, 1258-59 (Fed. Cir. 2011).

4. Factor No. 6: The alleged third party uses identified by Applicant are probative of nothing

Applicant devotes much of its trial brief to purported third party use of "balance" marks. This *du Pont* factor, however, requires consideration of "[t]he number and nature of *similar marks* in use *on similar goods*." *Du Pont*, 476 F.2d at 1361, 177 USPQ at 567 (emphasis added). Third party uses of dissimilar marks on dissimilar goods have no relevance. *See World Triathlon Corp. v. Traditional Medicinals, Inc.*, Opp. No. 91110391, 2008 WL 4876562, at *7 (TTAB Nov. 3, 2008) (rejecting alleged evidence of "widespread third-party use" because "most of these third-party registrations are for goods and services that are far removed from the goods at issue

herein"); *Nat'l Cable Television Ass'n v. Am. Cinema Editors, Inc.*, 937 F.2d 1572, 1579 (Fed. Cir. 1991) (finding that alleged evidence of third party use outside of the relevant field "is not only unpersuasive but essentially meaningless"). Moreover, third party uses are not entitled to any weight without probative evidence demonstrating the nature and extent of use, actual sales, whether or to what extent consumers are aware of them, and so on. *See AMF, Inc. v. Am. Leisure Prods., Inc.*, 474 F.2d 1403, 1406, 177 USPQ 268, 270 (CCPA 1973) (rejecting proffered listing of third party trademarks because it "give[s] no indication as to actual sales, when the mark was adopted, customer familiarity with the marks, etc."); *Jansen Enters. v. Rind*, 85 USPQ2d 1104, 1110 (TTAB 2007) ("[There is neither testimony nor other evidence corroborating these [purported third party uses]... [and] there is no way to know what effect, if any, these purported uses ... may have had in the minds of consumers.").

Applicant first argues that Balance Bar's statement at page 19 of its main brief that "there is no evidence of record showing the extent of usage, if any, of a BALANCE-formative mark by a third party in connection with snack bars" is incorrect. (App. Br. at 30) Applicant then points to Target's SIMPLY BALANCED mark in support of this argument. Of course, this Target mark contains the term "balanced" - not "balance" - and is thus not a BALANCE-formative mark.

With respect to this Target mark, GFA includes a photograph at page 15 of its brief, noting that "Target uses the SIMPLY BALANCED trademark in connection with nut and seed based bars as well as other snack bars." It should first be noted that it would appear that Target only recently began using this mark in connection with the sale of snack bars. (Cornacchiulo July 30 Dep. at 13:13-19) Although Target has registered the SIMPLY BALANCED mark for other products, it has not filed a trademark application covering snack bars. Mr. Timothy Kraft, in-

house counsel for Applicant, testified that he recently reviewed the SIMPLY BALANCED mark for potential confusion with the SMART BALANCE trademark, but decided not to take action.

Mr. Kraft's testimony as to why Applicant did not take any action against Target accurately reflects the current market condition:

One, the fact that it's a captive brand to Target. It is not a national brand available at all retailers. It is only sold at Target stores. And secondly, Target has done a very nice job with the trade dress, their packaging. So a Target shopper will go through the food section of the store, and all of the SIMPLY BALANCED private labeled goods are in a very prominent turquoise color packaging, and they utilize a consistent circle in the center of the front panel, which is somewhat reminiscent of the Target logo. And it's very easy for the private label shoppers to identify the SIMPLY BALANCED goods throughout the store. (Kraft Dep. at 10:6-19)

Thus, the recent introduction by Target (at Target stores only - and possibly in only a select number of stores) of a snack bar under its private label SIMPLY BALANCED mark is in no way evidence that the term "balance" is commonly used by third parties in connection with snack bars. More to the point, and as already mentioned, this Target mark does not even use the term "balance."

Applicant next argues that GFA Brands has "provided numerous examples showing actual third party use of BALANCE on food, beverage and nutrition-related products in the marketplace. (App. Br. at 31-32) In particular, Applicant notes that it has "submitted 24 different product packages that contain the term Balance" in its Second Notice of Reliance, and that it has "submitted 29 different websites offering products for sale that use the term Balance" in its Third Notice of Reliance. (App. Br. at 16) An examination of the information contained in these notices of reliance reveals otherwise. The alleged 24 product packages contained in the Second Notice of Reliance include at least 12 packages wherein the cited term is not functioning as a trademark (see e.g., B1, B4-B11, B13, B15-16), at least 17 packages wherein the cited term is "balanced" - not "balance" (see e.g., B1, B4, B6, B8-B11, B13, B15-B23), and at least 5

packages showing the cited term on clearly dissimilar products (see e.g., B12-apple cranberry juice, B14-fajitas, B18-popcorn, B22-grape juice, B23-flavored water). The alleged 29 websites contained in the Third Notice of Reliance include at least 4 websites wherein the cited term is not functioning as a trademark (see e.g., C9, C16, C23, C25), at least 6 websites wherein the cited term is “balanced” - not “balance” (see e.g., C8-9, C12, C27-29), and at least 4 packages showing the cited term on clearly dissimilar products (see e.g., C18-Tea, C19-stevia, C24-oil, C26-apple cranberry juice). In fact, when Applicant’s witness was asked whether she considers the terms “balance” and “balanced” to be the same, Ms. Little testified that “I find them to be similar, but they are two versions of one word so they are different.” (BB Not. of Rel. 7, Exh. G1 at 30:11-14)

As to the third party printed publications (i.e., cookbooks, nutritional books, etc.) that include the word "balance" in their titles, these are not trademark uses. The title of a single creative work, namely, the title of a specific book, does not function as a trademark to identify and distinguish goods and to indicate their source. *See In re Cooper*, 254 F.2d 611, 117 USPQ 396 (CCPA 1958); *In re Scholastic*, 23 USPQ2d 1774, 1777-78 (TTAB 1992); TMEP §1202.08.

In response to Applicant’s argument that it has submitted testimonial affidavits of four private investigators, it is sufficient to simply state that such affidavits show nothing more than that a particular product was purchased on a particular date in a particular store. These affidavits contain no testimony or evidence of the geographic scope in which the photographed products are sold, the volume sold of such products, the length of time such products have been on the market, the annual advertising expenditures for such products, or the degree to which the public is aware of such products. As such, they are entitled to little to no weight.

Finally, Applicant's reliance on the *Zillow* decision is misplaced. Although it is true that the Board considered third party registrations and internet evidence, and ultimately found that *du Pont* factor 6 weighed against a finding a confusion, what Applicant fails to mention is that the Board used such evidence for the "purpose of demonstrating the special meaning that, according to Applicant, the suffix -ZILLA has for trademark applicants." *Zillow, Inc. v. Super T Financial Inc. DBA LoanZilla*, Opposition No. 91203730, *12 (TTAB Jul. 22, 2014). Here, there is no evidence that the common term "balance" has any special meaning and, in fact, the evidence of record indicates that the term is actually used similarly by both parties such that consumers would perceive the term "balance" as having the same meaning in the marks in dispute. (BB Main Br. at 17)

In sum, Applicant's argument that there "is a plethora of marks featuring BALANCE in the marketplace" is simply not supported by the evidence of record. Thus, this factor also favors a finding of a likelihood of confusion.

5. Factor Nos. 7 and 8: Applicant has not yet used the EARTH BALANCE mark on the proposed goods

Applicant repeatedly argues in its brief that the EARTH BALANCE mark has co-existed with the BALANCE marks without confusion for many years, and that this lack of actual confusion favors a finding that confusion is not likely. As Applicant is fully aware, the simple reason why there has been no confusion between these marks over the past 15 years is that the parties do not currently compete in the marketplace. Both parties' witnesses confirmed that the parties are not currently competing in the marketplace.

More particularly, Ms. Adrian Little, appearing on behalf of Applicant, testified that she did not have any knowledge of any usage of the EARTH BALANCE mark in connection with the sale of nut and seed-based snack bars, and that she did not believe that the Balance Bar

products and the existing Earth Balance products currently compete in the marketplace. (Little Dep. at 89:1-16) Mr. Cornacchiulo, appearing on behalf of Balance Bar, testified that GFA is not currently a competitor of the Balance Bar Company. (Cornacchiulo July 30 Dep. at 12:2-11) When asked to explain, Mr. Cornacchiulo said: “They currently don’t make a product that is close to ours and we currently don’t have a need to be close into their territory.” (Id. at 12:13-16) When asked whether he would consider GFA to be a competitor if they were to introduce a nutrition or energy bar under the EARTH BALANCE mark, Mr. Cornacchiulo answered: “Yes.” (Id. at 12:21) Mr. Cornacchiulo further testified that he believed that the introduction of a nutrition or energy bar under the EARTH BALANCE trademark would cause confusion in the marketplace. (Id. at 12:25-13:5) Ms. Lifeso, another witness appearing on behalf of Balance Bar, confirmed that Applicant is not currently a competitor of Balance Bar, but would become a competitor if they were to introduce a nutrition bar under the EARTH BALANCE trademark. (Lifeso July 30 Dep. at 36:23-37:10) Ms. Lifeso further testified that she believed that the introduction of a nutrition bar under the EARTH BALANCE mark would cause confusion in the marketplace because:

They would be using our full trademark Balance and they would be selling bars which we directly would be competing with ...” (Id. at 37:21-24)

Applicant next argues that peanut butter is a widely recognized snack food, that Applicant has been selling peanut butter under its EARTH BALANCE mark for over 8 years, that there has been no confusion with Balance Bar’s snack bars, and therefore there should be no confusion as Applicant further expands its product line under its EARTH BALANCE mark. This argument fails when examined. First, peanut butter is simply not a product which competes with snack bars. Applicant attempts to sidestep this important point by pointing to certain testimony in which, it alleges, Balance Bar “admits that it views snack foods like peanut butter

and trail mix as competitive products.” (App. Br. at 34) This testimony arose from questions about a certain strategic document (prepared by an outside consulting company) which identified what is referred to as a “competitive set” of products. Applicant conveniently did not cite the portions of testimony in which Mr. Cornacchiulo testified that “[t]he competitive set is, obviously, what's consistently in the basket or eaten on occasion for our consumer. It is defined a little bit different than what we would say is a direct competitor” (Cornacchiulo July 30 Dep. at 33:18-22) and “but the close-ins are the heavy direct competitors in our close-in sets.” (Id. at 34:7-9) In other words, based on this particular study, a consumer may purchase both a nutrition bar and peanut butter while shopping in the same store - but that is quite different than saying that nutrition bars and peanut butter are competing products. Second, Applicant’s reference to its popcorn, peanut butter covered popcorn, cheese puffs, cheddar squares and potato chips (sales of which began only in January 2013) is meaningless in that the sales of these products to date is insignificant (Little Dep., Exh. 31) and/or non-competing. (GFA Not. of Rel. 9, Exh. I-1 at 71:5-8; 73:15-24) Third, Applicant’s subtle attempt to describe the introduction of these new products as a “further” expansion is contrary to the evidence in this proceeding. It is now, for the first time, attempting to expand into the very same product category in which Balance Bar has used its BALANCE marks for many years.

Applicant also makes the rather unusual argument that because it owns and uses both the SMART BALANCE trademark and the EARTH BALANCE trademark, and because, according to its testimony, there has been no confusion between these two brands, that therefore that should lead to the conclusion that there will be no confusion between the EARTH BALANCE trademark and the BALANCE marks. Such an argument, of course, makes very little sense. First, the consideration of actual confusion between the SMART BALANCE and EARTH

BALANCE trademarks is simply not an issue that Balance Bar considered in this proceeding. Second, the testimony indicates that the channels of trade for products sold under the SMART BALANCE and EARTH BALANCE trademarks have historically been distinct, with the EARTH BALANCE products being marketed to the natural food chains and only recently expanding into the conventional food channels. (GFA Not. of Rel. 8, Exh. H1 at 53:23-54:1) Third, and most importantly, because Applicant owns both of these brands, it has control over many additional factors which could eliminate confusion in the marketplace, if in fact there really has been no confusion. For example, in addition to the generally distinct channels of trade, factors such as product packaging and logos might be used to distinguish these two brands. However, these real world additional factors are irrelevant in a TTAB proceeding, and simply have no bearing on the comparison of Balance Bar's BALANCE marks to Applicant's applications for the wordmark EARTH BALANCE.

6. Factor No. 13: The prior disputes, admissions and enforcement polices all point towards confusion

Applicant argues that its enforcement strategy has changed over the years, and that it no longer challenges a third party's mark based on usage of the term "smart" or "balance" alone. It argues that this change was due to the large number of "smart" and "balance" marks appearing in the marketplace. It is noteworthy that Applicant's brief filed in pending Opposition No. 91194974 fails to mention these other "balance" marks. As such, Applicant's credibility on this point is clearly lacking.

Applicant also asserts that due to its change in enforcement strategy, it would not object today to the filing of a trademark application for the mark BALANCE for identical goods to which it currently sells, as it did in 2000 to Balance Bar's application. Such a statement is simply not credible or believable.

Finally, Applicant argues, based on the testimony of Mr. Howard Seiferas, that Applicant's decision to abandon its EARTH BALANCE and FRUIT BALANCE trademark applications in 2005 was the result of a failure to meet sales goals, rather than a response to Balance Bar's objection. (Seiferas Dep. at 11:24-12:7) However, Mr. Seiferas testimony is entitled to little weight in this regard because he also testified that he was not directly involved in the decision to discontinue sales of the product (Id. at 12:8-13; 19:5-9), that the owner of the company would have made such a decision (Id. at 19:10-20), that he was not aware of the 2006 letter sent to GFA by Balance Bar (Id. at 18:25-19:4), and that he was not aware that GFA had expressly abandoned the 2005 EARTH BALANCE application. (Id. at 20:18-22) Finally, even if it is true that the bars sold back in 2005 by Applicant were failing to meet sales goals, it is simply incredulous to assert that Balance Bar's objection had no role in the abandonment of these trademark applications, and the subsequent discontinuance of sales in the marketplace.

7. An analysis of the relevant factors indicates that confusion is likely

In sum, the evaluation of all the evidence of record demonstrates the existence of a likelihood of confusion between Balance Bar's BALANCE marks and Applicant's EARTH BALANCE mark, when that mark is used in connection with nut and seed-based snack bars.

B. Applicant's survey evidence is entitled to little to no weight

As discussed in its main brief, Balance Bar retained Jacob Jacoby, Ph.D to review and critique the Johnson survey and report. The 40-plus pages of qualifications outlined in Appendix A to Jacoby's Rebuttal Report, together with Dr. Jacoby's testimony that he has conducted "well over a thousand" (Jacoby Affidavit Exh. 2 at 10:6-12) surveys and has "participated in hundreds of litigated matters" (Id.), certainly establish the expert qualifications of Dr. Jacoby, and his right to critique the Johnson survey.

Applicant attacks Dr. Jacoby's reliance on Jerre Swann's article, calling Mr. Swan a "lawyer with no training as a social scientist." (App. Br. at 41-42) In fact, Mr. Swan is a Harvard-educated lawyer who has written and had published an extensive collection of articles regarding trademark law, has been the recipient of numerous awards in the field of intellectual property law, and was the former editor-in-chief of The Trademark Reporter. As already mentioned in Balance Bar's main brief, the Swann article relied on by Dr. Jacoby has been cited by Prof. McCarthy for the same proposition. In particular, Prof. McCarthy states that "Swan has opined that: 'the squirt format is the alternative for testing the likelihood of confusion between marks that are weak, but are simultaneously or sequentially assessable in the marketplace for comparison.'" J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 32.173.50 (4th).

As also mentioned in Balance Bar's main brief, the District Court in *Akiro* relied on the Swan article in support of its statement that "while the Eveready format is generally accepted and represents the 'gold standard' for cases involving strong marks, by design it will underestimate confusion for marks that are not highly accessible in a consumer's memory." *Akiro*, 946 F. Supp. 2d at 339. Applicant argues that the *Akiro* court did not endorse the Swann article, but that the Court was "merely restat[ing] each side's argument." (App. Br. at 45) A review of this portion of the *Akiro* decision clearly shows otherwise.

Applicant argues that the Eveready format has been the industry standard for over 35 years. It suggests in its brief, and its expert witness testified (Johnson Affidavit Exh. 2 at 53:3-9), that the level of unaided awareness of the senior mark is simply not relevant to the decision to select the Eveready format. Applicant also cites several cases, including *Nat'l Distiller* and *Kargo*, in which the courts criticized the Squirt format. It should be noted, however, that both of

these cases predate the Swan article, as well as Prof. McCarthy's adoption of such views. In this regard, Prof. McCarthy states that "[t]wo survey formats which have been used to test for confusion of source or connection are commonly referred to as the 'Eveready' format and the 'Squirt' format." *McCarthy on Trademarks and Unfair Competition*, § 32.173.50 (4th). Prof. McCarthy continues by stating that "[t]he Eveready format (discussed in detail in the following section) is especially appropriate when the senior market is strong and widely recognized." *Id.*

Applicant further cites the *E&J Gallo* decisions in attacking the Swann article. It first refers to the Magistrate Judge's opinion which involved a motion to exclude certain survey evidence, in part based on the argument that an Eveready format was inappropriate. The Swan article had been brought to the attention of the Court in support of that argument. The magistrate judge, in denying the motion to exclude, held that defendant's "contentions regarding Dr. Ford's survey go to the weight of the evidence, not its admissibility." *E&J Gallo Winery*, 2011 WL5922090, *7. Likewise, Balance Bar is not attempting to exclude the Johnson report - but instead is arguing that it should be given little to no weight in view of the inappropriate selection of an Eveready format to measure marketplace confusion for a mark having a low level of unaided awareness. Although the district court judge did ultimately dismiss the counterclaim for infringement (because the Proximo plaintiffs had "submitted no evidence that raises a genuine issue of fact"), and did affirm the magistrate judge's ruling not to exclude the Ford survey, Applicant's interpretation of this decision discussed at page 47 of its brief goes far beyond the actual language appearing in such case. It should also be noted that the *E&J Gallo* case was decided prior to Prof. McCarthy's adoption of the Swan article and prior to the *Akiro* decision.

Applicant alleges that Balance Bar is now “argu[ing] that its marks are too weak for an Eveready survey,” even though the Notice of Opposition states that it “has developed a family of BALANCE marks having substantial goodwill and recognition in the marketplace.” First, Balance Bar has not, and is not, arguing that its marks are weak. Its argument is simply that an Eveready survey is inappropriate to measure confusion for a mark having a low level of unaided awareness. This argument is based on Dr. Jacoby's expert opinion, which is supported by the opinions set forth in the Swan article, now adopted by Prof. McCarthy and Judge Rakoff in the *Akaro* decision. Applicant's citation of Dr. Jacoby's testimony that Balance Bar's studies showed that it has “a strong brand” in the energy and nutrition bar category does not change the conclusion that Mr. Johnson employed the improper survey format. As noted in Balance Bar's main brief, the measured level of unaided brand awareness is only approximately 4%. Thus, although Dr. Jacoby's testimony was correct that the studies show a “strong brand” when considering combined (aided plus unaided) brand awareness, this does not somehow justify the use of a Eveready format when the actual market data shows a low level of unaided awareness. In fact, this low level of unaided awareness actually sets an upper limit on the level of likely confusion that can be obtained by using the Eveready protocol; at most, it will be 4%. (Jacoby Affidavit Exh. 1, § 11) It is rather noteworthy that the Johnson Survey measured a level of likely confusion of exactly 4%.

Applicant cites Prof. McCarthy at page 43 of its brief for the proposition “that where, as here, the senior user makes some products which the junior user does not, the Eveready format is a ‘now standard survey format.’” Applicant states in footnote 8 that it does not sell energy drinks, and then cites to testimony indicating that Balance Bar had at one point in the past, sold a nutritional beverage under at least one of the BALANCE marks. The purpose of footnote 8 is

not understood in that the Johnson survey considered nutrition/energy bars - it did not consider energy drinks or nutritional beverages and Balance Bar does not currently sell energy drinks or nutritional beverages. Applicant's argument appears to directly support Dr. Jacoby's testimony that the Eveready format is also not appropriate in a situation where you have identical products. (Jacoby Affidavit, Exh. 2 at 29:17-30:12) Moreover, Prof. McCarthy's foregoing quote would appear to suggest that the Eveready format should not be the "standard survey format" when the senior and junior users products are the same.

In addition to the Eveready critique, Dr. Jacoby identified a number of additional shortcomings in the Johnson study. Although Applicant attempts to downplay Dr. Jacoby's criticisms by stating that "Jacoby offered no other meaningful criticism" (App. Br. at 42) and "Jacoby's remaining criticisms of the Johnson survey are unsupported or of the sort that have long split survey experts into opposing camps in an academic debate" (Id. at 49), these additional criticisms - when considered together - cast serious doubt on Johnson's conclusions. In particular, Dr. Jacoby identified problems with the test protocol, a problem with the universe, problems with the main questionnaire, and problems with the data interpretation. (Jacoby Affidavit Exh. 1) These problems are described in detail in Dr. Jacoby's rebuttal report. Although a single criticism might be considered as "relatively minor" if considered alone, the sum total of these problems is certainly not "minor."

The test protocol problem discussed in Dr. Jacoby's report is clearly not a "minor" problem, whether considered alone or in combination with the other identified problems. Applicant attempts to minimize this criticism by stating that Dr. Jacoby himself "has expressed conflicting views on this issue." During his testimony deposition, Dr. Jacoby was asked about statements appearing in his recently-published treatise in which he appears to suggest that the

stimulus should be removed from view. Dr. Jacoby attempted to explain the context of these statements to Applicant's counsel, but Applicant's counsel was not interested in hearing his explanation. (Jacoby Affidavit Exh. 2 at 76:11-19) However, on redirect, Dr. Jacoby explained that you leave the stimulus in front of the respondent when there is no chance for the respondent to get the answer by reading information on the stimulus - and you remove the stimulus from view when there is an opportunity for the respondent to go back and read the stimulus and get the answer. (Jacoby Affidavit Exh. 2 at 119:12-120:18) In the Johnson survey, there was no chance for the respondent to get the information from reading the stimulus - so therefore the stimulus should have been left in view. Thus, Dr. Jacoby's reports, testimony and survey treatise are all consistent.

Finally, Applicant's brief attempts to deflect the criticism that its counsel never provided Mr. Johnson with the documents produced by Balance Bar discussing the brand awareness of the BALANCE marks by cleverly arguing that Mr. Johnson discussed such documents during his trial testimony (App. Br. at 43), so therefore he was obviously supplied with such documents. However, the simple truth of the matter is that Applicant's counsel had relevant documents in its possession at the time it retained its expert witness, it failed to provide such documents to its expert witness, its expert witness did not request such information and likely, as a result, proceeded to implement a study utilizing an improper survey format.

IV. CONCLUSION

For the foregoing reasons, and for the reasons set forth in Balance Bar's main brief, it is respectfully submitted that the registration of Applicant's EARTH BALANCE mark for nut and seed-based snack bars would create a likelihood of confusion, mistake, or deception, would erode

the distinctiveness of the BALANCE marks as a unique identifier of the source of the products sold by Balance Bar, and would injure both Balance Bar and the consuming public.

Accordingly, Balance Bar respectfully requests that the Board sustain this consolidated opposition proceeding and refuse registration of Applicant's application.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **OPPOSER'S REPLY BRIEF** has been served via US mail and email this 18th day of March 2015 upon the following:

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